

Senate Committee
on Budget and Fiscal Review

SUBCOMMITTEE No. 2
on
Resources, Environmental Protection,
Public Safety and Energy

MAJOR ACTION
REPORT

May 28, 2004

Senate Bill 1095
2004-05 Budget Bill

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SUBCOMMITTEE No. 2

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NATURAL RESOURCES

0540 SECRETARY FOR RESOURCES

- Approved resources bond funding for River Parkway projects (\$38.4 million) and land acquisitions in the Sierra Nevada Cascade (\$9.2 million). Funding is included in a trailer bill that provides program criteria.
- Approved reappropriation of \$4.6 million resources bond funding for grants to fund urban stream restoration projects.

3110 SPECIAL RESOURCES PROGRAMS

- Approved as budgeted.

3125 CALIFORNIA TAHOE CONSERVANCY

- Approved as budgeted, including \$12 million for local grants for projects that support the Environmental Improvement Program in the Lake Tahoe Basin.

3340 CALIFORNIA CONSERVATION CORPS

- Provided fire suppression and fuel reduction training and work opportunities for 75 additional corpsmembers in 2004-05 through the redirection of Workforce Investment Act funds and resources bond funds.
- Approved \$6.6 million resources bond funds for grants to local conservation corps for various resource conservation projects.

3480 DEPARTMENT OF CONSERVATION

- Approved \$12 million in resources bond funds for local grants to support the California Farmland Conservancy Program that purchases agricultural easements.
- Approved \$3.2 million in resources bond funds for local grants to provide grants to resource conservation districts for watershed projects that support the CALFED program.

- Approved \$400,000 from special funds for abandoned mine remediation.

3540 DEPARTMENT OF FORESTRY AND FIRE PROTECTION

- Approved trailer bill language to implement a timber harvest plan (THP) fee that generates \$20 million to cover the entire cost of the state's THP review program, including program costs at the Department of Fish and Game, the State Water Resources Control Board, and the Department of Conservation. The Governor proposed increasing THP fees to cover \$10 million of the state's program costs.
- Approved trailer bill language to implement a retail timber tax that would levy one-cent per board foot on all timber products purchased by retailers. The revenues would be used to support the timber harvest plan review program, as well as other forest-related programs.
- Approved \$7.5 million in resources bond funds for fuel reduction in the Sierra Nevada region. Included funding for this program in a trailer bill that would provides restrictions on the trees harvested as part of the fuel reduction effort. The majority of these bond funds will be for grants to private landowners or local fire safe councils.
- Approved \$4.4 million special fund revenues for various forest management programs, including operations of the state's demonstration forests, nurseries, and forest pest management activities. This is a 40 percent reduction from 2003-04 due to ongoing litigation relating to timber harvesting on Jackson State Demonstration Forest.
- Approved \$1.2 million resources bond funds for urban forestry grants to increase tree planting and follow-up care in urban areas.

3560 STATE LANDS COMMISSION

- Approved as budgeted.

3600 DEPARTMENT OF FISH AND GAME

- Approved \$71.9 million in resources bond funds for local grants to fund ecosystem restoration projects that support the CALFED program.
- Approved \$7 million in resources bond funds for local grants for fisheries restoration projects.
- Redirected \$500,000 of tidelands oil revenues to support implementation of the Marine Life Protection Act to develop a plan for establishing networks of marine protected areas.
- Augmented DFG's timber harvest plan (THP) review program by \$530,000 from increased THP fee revenues.

- Approved trailer bill language to increase landing fees assessed on fish processors, wholesalers, and any other entities that receive fish from commercial fisherman to cover the cost of DFG's marine fisheries management programs. The current landing fees are set at a level fixed in 1986, the trailer bill would allow the fees to fluctuate based on the value of the landed fish.
- Approved trailer bill language to allow DFG to assess fees on incidental take permits to cover the department's cost in processing these permits.

3640 WILDLIFE CONSERVATION BOARD

- Adopted trailer bill language to suspend the Natural Heritage Preservation Tax Credit Program in 2004-05.
- Approved \$13.3 million resources bond funds for land acquisitions to support the Colorado River Regulatory Program.
- Approved \$21 million resources bond funds for Habitat Conservation Fund acquisitions.
- Approved Budget Bill language to cap the amount of tidelands oil revenues transferred to the General Fund at \$165 million. Provided that any tidelands oil revenues in excess of this amount will be used to fund salmon and steelhead trout restoration (\$8 million), continued operation of fish hatcheries (\$4 million), and projects related to the California Ocean Protection Act (\$10 million).

3680 DEPARTMENT OF BOATING AND WATERWAYS

- Approved as budgeted.

3720 CALIFORNIA COASTAL COMMISSION

- Approved trailer bill language to direct the commission to increase its permit fees so that they cover approximately 50 percent of the program costs related to permitting.

3760 STATE COASTAL CONSERVANCY

- Approved \$20 million in resources bond funds for various conservancy programs to provide increased public access to the coast, restore urban waterfronts, and enhance wetlands.
- Approved \$6.4 million in resources bond funds for the San Francisco Bay Conservancy Program to fund acquisitions and projects in the San Francisco Bay Area.

- Approved \$32.2 million in resources bond funds to acquire, protect and restore land and water resources to protect coastal watersheds.
- Approved \$10 million in resources bond funds for projects to preserve land in the Central Coast region and to continue investments in the California Coastal Trail.

3780 NATIVE AMERICAN HERITAGE COMMISSION

- Approved as budgeted.

3790 DEPARTMENT OF PARKS AND RECREATION

- Approved Governor's proposal to reduce park support by \$15 million GF and to increase state park fees to backfill this reduction.
- Approved \$78.4 million in resources bond funds for local grants to acquire local parks.
- Approved \$6.8 million in resources bond funds to match federal funds to repair state park facilities damaged by the San Simeon earthquake and the southern California fires.
- Approved \$18.6 million in funds from the Off-Highway Vehicle Trust Fund for grants to purchase additional land and buffer zones for the State Vehicular Recreation Areas.

3810 SANTA MONICA MOUNTAINS CONSERVANCY

- Restored \$21.9 million in resources bond funding to the Santa Monica Mountains Conservancy for grants and land acquisitions.

3820 SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

- Approved Budget Bill language to direct the commission to increase its permit fees to cover approximately 20 percent of its permitting program costs.

3825 SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY

- Approved \$12.4 million in resources bond funds for grants land acquisitions by the conservancy.

3830 SAN JOAQUIN CONSERVANCY

- Approved \$11 million in resources bond funds for grants and land acquisitions to support the development of the San Joaquin River Parkway and to implement public access improvements.

3835 BALDWIN HILLS CONSERVANCY

- Approved \$7.2 million in resources bond funds for grants and land acquisitions by the conservancy.

3840 DELTA PROTECTION COMMISSION

- Approved as budgeted.

3845 SAN DIEGO RIVER CONSERVANCY

- Approved as budgeted.

3850 COACHELLA VALLEY MOUNTAINS CONSERVANCY

- Approved \$3.6 million resources bond funds for grants and land acquisitions by the conservancy.

3860 DEPARTMENT OF WATER RESOURCES

- Approved \$77.4 million in resources bond funds for local grants for groundwater storage projects.
- Approved reappropriation of \$72.4 million in resources bond funds for projects to support the CALFED water supply reliability program.

- Approved reappropriation of \$49.8 million in resources bond funds for grants to integrated regional water management projects.
- Approved \$36.9 million in resources bond funds and reappropriated another \$34.2 million for local grants for water conservation projects.
- Approved \$31.8 million in resources bond funds for water purchases to support the CALFED program's Environmental Water Account.
- Approved reappropriation of \$25 million in resources bond funds for desalination grants.
- Approved \$19.9 million in resources bond funds to improve the levees in the Delta and support the CALFED program.
- Approved \$19.3 million in resources bond funds for local grants for watershed projects that support the CALFED program.
- Approved \$16.9 million in resources bond funds for grants to address flooding along the Yuba/Feather River and the Colusa Basin Drain.
- Approved \$13.6 million in resources bond funds and reappropriated another \$10.7 million to support the CALFED program's water storage studies.
- Approved reappropriation of \$11.5 million in resources bond funds for drinking water quality pilot programs.
- Reverted \$16.1 million GF proposed by the Governor for the lining of the Coachella branch of the All-American Canal. These funds are not needed in the budget year. Current law requires the state to pay \$172 million for this purpose by 2008-09.
- Approved Governor's proposal to adopt trailer bill language to increase the fees levied on water users to fully support the state's Watermaster Service Program.

3870 CALIFORNIA BAY-DELTA AUTHORITY

- Approved trailer bill language to implement a broad-based user fee and the beneficiary-pays principle to fund the CALFED program.
- Approved \$12.8 million in resources bond funds to support the CALFED science program.

ENVIRONMENTAL PROTECTION

0555 SECRETARY FOR ENVIRONMENTAL PROTECTION

- Approved trailer bill language to consolidate selected administrative functions at all of the boards, departments, and offices within the Environmental Protection Agency.
- Approved trailer bill language to consolidate the state's climate change activities with the Secretary for Environmental Protection.

3900 AIR RESOURCES BOARD

- Approved trailer bill language to impose a "rack fee" on motor vehicle fuels and increase the motor vehicle registration fee to fund clean air programs.
- Approved \$1.5 million from special funds to implement the nontoxic dry cleaning incentive grant program to help dry cleaners to transition from perchloroethylene (perc)-based systems to other non-toxic systems.

3910 INTEGRATED WASTE MANAGEMENT BOARD

- Approved \$73.4 million from special funds to implement the Electronic Waste Recycling program to set up a system of collecting and recycling electronic devices that contain hazardous materials.

3930 DEPARTMENT OF PESTICIDE REGULATION

- Approved as budgeted.

3940 STATE WATER RESOURCES CONTROL BOARD

- Approved \$34.5 million for the Agriculture Water Quality grant program, including \$5 million to implement a new Dairy Water Quality Improvement program. These grants are for projects that help the agriculture industry meet its water quality requirements.

- Approved \$21.7 million in resources bond funds for local grants to fund water recycling projects.
- Approved \$17 million increase in funding from the Underground Storage Tank Cleanup Fund for the clean up of contamination caused by underground storage tanks.
- Approved \$10 million in resources bond funds for groundwater monitoring.
- Approved \$3.2 million in funding from special funds to issue and enforce waivers for waste discharge permits.
- Augmented the board's timber harvest plan review staff by \$430,000 from THP fees.

3960 DEPARTMENT OF TOXIC SUBSTANCES CONTROL

- Approved as budgeted.

3980 OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT

- Approved the Governor's proposal to shift funding from the General Fund to the Motor Vehicle Account to fund activities related to the health-impacts of motor vehicle-related pollutants and the children's health program.

PUBLIC SAFETY AND CRIMINAL JUSTICE

0550 YOUTH AND ADULT CORRECTIONAL AGENCY

- Approved May Revise proposal to increase YACA by \$1.7 million GF and 12 positions to provide increased oversight and policy direction to departments under its supervision. Funding is provided through corresponding reductions to CDC (\$1.5 million) and CYA (\$200,000).

0552 OFFICE OF THE INSPECTOR GENERAL

- Approved Finance Letter for \$3.3 million GF and 28 positions to reinstate the OIG.
- Approved Finance Letter for an additional \$4.9 million and 25 positions to provide additional staff and resources to support the OIG and to establish the Office of Independent Review within the OIG.

0820 DEPARTMENT OF JUSTICE

- Approved a proposed reduction of \$1 million GF and 13 vacant positions for the California Methamphetamine Strategy Programs (CALMS) and approved an augmentation of \$2.4 million in federal funds for electronic surveillance equipment and overtime expenditures for CALMS.
- Approved a proposed reduction of \$5.5 million GF and 41.8 positions allocated to the Division of Law Enforcement, the Criminal Justice Information Systems Division, the Firearms Division, and the Administrative Services Division.
- Approved a May Revise proposal to augment \$7.3 million GF to support increased litigation workload within the Criminal Law, Civil Law, and Public Rights Divisions. Also approved an increase of \$4 million in reimbursements through an increase in the hourly rate charged special fund clients.

5240 DEPARTMENT OF CORRECTIONS

- Approved proposal to augment budget by \$99.5 million GF and 1,238.8 positions to adjust the budgeted relief factor for correctional officers, sergeants, and lieutenants. The proposal increases relief coverage to levels currently being used and provides relief coverage not previously funded for training.

- Approved the creation of a separate program schedule in the budget bill for education programs.
- Augmented budget by \$6.7 million to provide at least three visiting days a week for each institution.
- Approved May Revise proposal to increase \$18.2 million GF and 114.9 positions to provide positions and overtime funding for the costs of medical guarding and transportation.
- Approved the May Revise proposal to increase \$22.2 million and 164 positions to implement the Valdivia Remedial Plan.
- Approved the May Revise proposal for \$16.8 million and 195.6 positions related to additional resources for administrative segregation overflow, and reduced funding by \$1,000 to send the issue to conference.
- Approved reductions of \$35 million from operational efficiencies, including consolidated purchasing, reduced energy expenditures, headquarters reductions, classification services unit reductions, and reduced cadets at the basic correctional officer academy.
- Rejected proposed savings of \$1.3 million related to only serving two hot meals on weekends and holidays.
- Approved a reduction of \$32.1 million for various healthcare service improvements including Hepatitis C clinical management, improved pharmacy and medication management, and a reduction in contract medical expenditures.
- Rejected proposal to save \$1.4 million by reclassifying staff psychiatrists to nurse practitioners.
- Approved proposed reduction of \$14.5 million from hospital services, hospital emergency services, and ambulance services, but rejected the proposed trailer bill language setting rates for inmates at the Medi-Cal rate level and instead adopted placeholder trailer bill language.
- Approved net savings of \$89.6 million related to the parole accountability proposal. Reductions include \$18.3 million from providing more opportunities for graduated sanctions, \$14.4 million from allowing technical and minor violators access to graduated sanctions, and \$59.5 million from parole discharge after 12 months, consistent with current law. Increases include \$1.6 million for expansion of the restitution work furlough program, \$1.4 million for expansion of the Substance Abuse Treatment and Recovery (STAR) program, \$1 million for the expansion of the Parolees and Corrections Teams (PACT) program, and \$1.2 million for additional electronic monitoring units. Approved a reduction to the proposed LEADS database by \$1 million and the program evaluation component by \$630,000. Did not approve funding for the CAL/GANG database (\$750,000) and delayed implementation of the GPS pilot program (\$3.5 million).
- Approved \$27.1 million in additional reduction proposals at CDC including felony drug courts to treat parole violators with new terms (\$1.9 million), elimination of the “Z” case diagnosis program (\$4.7 million), creation of a drug treatment credit incentive program (\$2.5 million),

- enhanced jail credits pilot program (\$800,000), drug treatment furlough for civil addicts (\$3.2 million), creation of mentally ill custody and treatment units (\$1 million), establishment of a medical parole program, and delaying activation of Delano II by 3 months (\$10 million).
- Approved additional savings alternatives of \$101.2 million to preserve options that would result in General Fund savings in CDC's budget. These options include direct discharge for non-violent/non-serious offenders, and eliminating prison as a sentence for petty theft with a prior.

5430 BOARD OF CORRECTIONS

- Augmented funding by \$134 million GF to provide funding to County Probation that was previously being provided by federal TANF funds.
- Rejected the proposal to convert the funding source for the Executive Office, Local Adult and Juvenile Facilities Standards and Inspections, and the Juvenile Hall Suitability Inspection Process from GF to a city/county reimbursed fee structure. Provided \$1.2 million GF and \$601,000 in federal funds for these functions.
- Approved May Revise proposal to provide planning for Juvenile Justice/California Youth Authority Reforms with budget bill language requiring BOC to provide a detailed plan for the expenditures.

5440 BOARD OF PRISON TERMS

- Approved an increase of \$117,000 from revised workload projections.
- Approved May Revise proposal for \$35.4 million and 134.3 million positions to implement the Valdivia Remedial Plan.

5460 DEPARTMENT OF THE YOUTH AUTHORITY (YA)

- Approved proposal for savings of \$25.9 million from the closure of the Fred C. Nelles Youth Correctional Facility in Whittier.
- Rejected proposal to save \$2.4 million from the closure of the Mount Bullion Camp.

**5480 COMMISSION ON CORRECTIONAL PEACE OFFICERS STANDARDS
AND TRAINING**

- Approved as budgeted.

8700 VICTIM COMPENSATION AND GOVERNMENT CLAIMS BOARD

- Approved as budgeted.

CONTROL SECTION 24.10

- Approved Budget Bill language that would transfer up to \$14 million from the Driver Training Penalty Assessment Fund to the Peace Officer Training Fund and would transfer up to \$4.1 million from the Driver Training Penalty Assessment Fund to the Victim Witness Assistance Fund. Any remaining unallocated funds would be transferred to the General Fund.

ENERGY

3360 ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

- Transferred \$12 million from the Energy Resources Programs Account to the GF.

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION

- Increased funding for the California Teleconnect Program by \$12.7 million from Teleconnect surcharge revenues to fully fund program costs in 2004-05.
- Approved increase in funding for the Universal Lifeline Telephone Service program by \$11.3 million to cover program costs in 2004-05.

8665 CALIFORNIA CONSUMER POWER AND CONSERVATION FINANCING AUTHORITY

- Rejected Governor's proposal to eliminate the California Consumer Power and Conservation Financing Authority (CPA).
- Increased funding for the Authority by \$800,000 to cover reduced operations funded only by CPA generated revenues.

8770 ELECTRICITY OVERSIGHT BOARD

- Approved trailer bill language to eliminate the Electricity Oversight Board (EOB) and transfer litigation related-activities to the Attorney General and the EOB staff to the Governor's Office of Planning and Research.

GENERAL GOVERNMENT

0690 OFFICE OF EMERGENCY SERVICES

- Approved adjusted funding of \$35.9 million GF for recovery from the wildfires in Southern California.
- Approved increases of \$49.5 million for the 2003 federal Urban Area Security Initiative (federal funds) and \$156.1 million for the 2004 federal Homeland Security Grant and the 2004 federal Urban Area Security Initiative (federal funds), to provide anti-terrorism grants to local and state agencies.
- Approved a May Revise proposal to provide \$2 million in federal funds and 13 positions for the establishment of the Office of Homeland Security.
- Augmented the Domestic Violence Grant program by \$2 million GF to backfill the loss of funding provided to domestic violence shelters through AB 664.

8550 CALIFORNIA HORSE RACING BOARD

- Approved as budgeted.

8570 DEPARTMENT OF FOOD AND AGRICULTURE

- Approved \$8 million GF to support the Mediterranean fruit fly preventative release program.
- Approved \$2.5 million shift in GF funding from the department to the local agricultural commissioners for high-risk pest exclusion activities.

8830 CALIFORNIA LAW REVISION COMMISSION

- Rejected the May Revise proposal to eliminate the Commission.